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FORMER YUGOSLAVIA POLICY REVIEWIntroduction

As we approach a potentially critical period in the Balkans over the next three months, now is the time to review the fundamental principles guiding our policy. U.S. policy has, in fact, had some success over the past two years in containing the spread of the war, reducing the level of violence, keeping relief supplies flowing to most areas, and maintaining cohesion with Allies and Russia. What we have been unable to produce is a political settlement in Bosnia or Croatia that rolls back Serb gains sufficiently to be acceptable to the Bosnians and Croats, and to be perceived as "fair" (much less "just") in moral terms.

The fundamental problem has been a lack of leverage: sanctions and political pressure have been insufficient to sway the Serbs, and our efforts to bring NATO air power to bear have come to naught. In Bosnia, after almost a year of effort, the Contact Group is becoming a spent force, with its unity increasingly strained. In Croatia, the Z-4 plan for a political solution is, for all intents and purposes, stillborn, and Tudjman's decision to eject UNPROFOR threatens to destroy even the limited economic confidence-building measures developed over the past year.

As the CIA paper makes clear, there is no "peace faction" among any of the parties, and Milosevic's willingness to pressure his Serb cousins is limited. If we stay on our present course, the prospects are for an escalation of the war in Bosnia and a new war in Croatia, with the potential unraveling of our limited achievements to date, and increased pressures for U.S. involvement. The differences between the optimistic and pessimistic scenarios are largely ones of timing and degree. And as the risk of war increases in Bosnia and Croatia, the dangers of spillover to other areas grow as well.

If the war escalates, the withdrawal of UNPROFOR from Croatia, Bosnia or both will become increasingly likely -- creating the prospect of U.S. troops on the ground in former Yugoslavia in a hostile environment, the outcome we have most sought to avoid. As international efforts founder, the Bosnians will be able to make an increasingly convincing case for lifting the arms embargo; yet the odds of bringing our Allies and, especially, the Russians along will remain low. Moreover, lifting the arms embargo, to be effective, entails the United States taking other actions that increase our involvement and responsibility.

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Interests and Objectives

Throughout the conflict, we have sought to protect several core U.S. interests: maintaining our strategic relationship with key Allies and protecting the credibility of NATO; avoiding a conflict with Russia that could undermine our efforts to promote reform and international cooperation; preventing the spread of the Bosnian conflict into a wider Balkan war that could destabilize southeastern Europe and draw in U.S. allies; and ensuring that the use of force to change borders and acts of genocide do not become legitimate forms of behavior in post-Cold War Europe.

Along with these core interests, we have pursued a range of more specific objectives, but have never set clear priorities among them:

- To stop or limit the fighting.
- To maintain relief supplies and reduce human suffering.
- To prevent the establishment by force of a Greater Serbia.
- To achieve a negotiated settlement acceptable to all parties that reverses at least some Serb territorial conquests and preserves the territorial integrity and international identity of Bosnia, Croatia and other ex-Yugoslav states.
- To prevent the spread of conflict to Kosovo, Macedonia, Albania and beyond.
- To keep U.S. ground forces out except in the context of implementing a political settlement.

The tools we have applied have varied over time in response to events, and as our priorities have shifted: Until the end of 1994, we sought to use NATO military power to enforce UNSC resolutions and to put pressure on the Bosnian Serbs to settle on terms that provided a better deal for the Bosnian Government ("air power in the service of diplomacy"). After Bihac, however, we consciously shifted the emphasis to maintaining NATO cohesion, recognizing that this would erode U.S. and Alliance credibility and reduce further our negotiating leverage. Yet we did not scale back our political objectives to match our reduced leverage -- leading to the present diplomatic impasse.

The result has been charges of fecklessness and an erosion of confidence in U.S. leadership on other issues. Therefore, we now need to step back and confront these inherent contradictions:

- On the one hand, our own principles, as well as public and Congressional pressures, make it difficult to disengage and effectively abandon the Bosnians.

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- On the other hand, we do not presently have the means to attain the political goal we have set -- negotiated settlements that deprive the Serbs of some of their ill-gotten gains -- and we have not been prepared to commit those means. Moreover, there is limited public support in the U.S. or in Europe for doing so.

### Basic Strategic Choices

Many of our decisions over the next 2-3 months will be driven by events on the ground. But some of our choices will depend on where we want to go in the longer term. Therefore, before considering specific options, Principals need to decide our overall strategic direction and whether the course chosen is politically sustainable. This, in turn, requires deciding what are our priority interests and sticking with that decision in terms of committing the resources needed to attain our goals. The following, in broad terms, are basic approaches to be considered:

1. Continue our present policy; muddle through while supporting the Bosnians: Maintain the Contact Group and continue to seek a political solution that provides a better deal for the Bosnians, but not commit to increased military pressure on their behalf; rely for leverage on sanctions and efforts to isolate the Bosnian and Krajina Serbs (recognizing that these will be inadequate to the task). Seek to contain the fighting and humanitarian suffering to the extent possible, while maintaining Alliance cohesion. Keep UNPROFOR in place in essentially its present form (improve its effectiveness, but don't press it to take a more confrontational stance against the Serbs). Seek to postpone any lifting of the arms embargo and don't push for use of NATO air power, since this would precipitate UNPROFOR's withdrawal. Continue to sustain the Federation. Take additional measures in the front-line states to contain spillover of the conflict, such as beefing up UNPROFOR/Macedonia.
  - This would maintain European and Russian support, reduce the risks of deeper U.S. military involvement, and recognize that, absent such involvement, political settlements are not achievable in the foreseeable future.
  - The gap between our goal of a "fair" settlement and our unwillingness to provide the means to that end, however, would leave us vulnerable to charges of diplomatic fecklessness. It would be difficult to persuade the public and pro-Bosnian elements in the Congress that, over time, the maintenance of sanctions, a continued stalemate on the ground, and the solidity of the Federation will bring the Bosnian Serbs to accept a settlement along the lines of the

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Contact Group plan, and the Krajina Serbs to accept autonomy within Croatia.

- The main weakness of this approach, however, is that the Bosnians and the Croatians are not prepared to play along: Both are ready to pursue the military option with renewed vigor over the coming months, putting UNPROFOR's presence in doubt. And the Bosnians will campaign for lift when the ceasefire ends. Our continued rhetorical support for their cause would make it difficult for us to oppose.

2. Adopt a policy of neutrality toward the terms of a settlement and focus on active containment of the conflict: Openly acknowledge that achieving a better solution for the Bosnians is not possible without U.S. actions that it is not in our interest to take. Apart from this shift in approach to the diplomatic track, take essentially the same actions as under the previous approach. Make clear we do not believe multilateral lift is politically attainable and strongly oppose Congressional pressures to lift unilaterally. Abandon Contact Group or suspend its activities, making clear that it is up to the parties, not the international community, to find a mutually acceptable solution. Promote periodic ceasefire agreements. Advise the Bosnians of the need to be realistic about the facts on the ground and agree to terms that acknowledge Serb preeminence (accept territorial outcomes short of 51:49, Serb Confederation with Belgrade; seek protection through links to Croatia, etc.).

- This course would also maintain good relations with the Europeans, avoid a confrontation with Russia, and reduce the potential for U.S. military involvement. We would concentrate our efforts in areas where we have been able to achieve some success: reducing the violence, delivering humanitarian relief, maintaining the Muslim-Croat ceasefire and the Federation, and preventing the spread of the conflict outside of Bosnia and possibly Croatia. By distancing ourselves from the Bosnians' political agenda, we might have greater success in keeping UNPROFOR in place.
- We would suffer harsh criticism from some quarters in the Congress and the public for abandoning the Bosnians and performing another flip-flop. We would need to make the case that it is not in U.S. interests to intervene unilaterally to ensure Bosnian victory, that we cannot gain European or Russian support for firmer measures to help the Bosnians, and that lift alone would probably make things worse for them in any case. We would want to appeal to the significant number of Congressmen whose support for lift is soft, and who are not keen on the deeper military involvement that a credible lift-and-strike policy would require.

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- Assuming we can ride out the initial storm, this approach would lower expectations and adjust public opinion to the reality of a continued conflict for which there may be no immediate solution. It would put the onus on the parties to negotiate directly with one another, rather than forcing us to explain repeated failed diplomatic initiatives backed by empty threats. It would force the Bosnians to accept the reality of defeat and the fact that they are destined to live surrounded by Serbs. It might even lead to a de facto indefinite cessation of serious hostilities, reducing both human suffering and public pressures for action.
  - The problem with this approach, like the first, is that we may not be able to ride out the storm: the Bosnians may succeed in getting Congress to lift unilaterally, possibly with sufficient votes to override a Presidential veto. Moreover, we would, effectively, be acquiescing in Serb aggression, setting a dangerous precedent for the future.
3. Containment of Conflict and Long-Term Quarantine of Greater Serbia: Abandon efforts to negotiate a political settlement and reimpose full sanctions against Serbia for the long haul. Make clear we will refuse to recognize Serb conquests in Bosnia and Croatia and we will continue to treat Serbia as a pariah state until Serbs accept settlements that restore territorial integrity of Bosnia and Croatia. Refrain from military intervention, take laissez-faire approach to continued fighting among the parties. Concentrate on humanitarian aid, bolstering the Federation politically and economically, and containing spillover to other parts of the region. If UNPROFOR were to withdraw, this could be combined with a lift-and-leave strategy.
- This approach would be analogous to our approach to Soviet domination of Central and Eastern Europe during the Cold War, in which we were prepared to wait for decades for a just outcome -- isolating one party while promoting free-market development in the other. It would be based, again, on a recognition that there is no available political solution, and avoid perpetuating false expectations that the international community can impose a settlement. But in contrast to the previous approach, it would be based as well on a judgment that Milosevic remains the problem rather than the solution, despite his recent attempts to play the peacemaker -- distinguishing the victim from the victimizer.
  - It is doubtful Russia would agree if we reimposed the sanctions noose around Serbia, however. We might agree with the Russians to disagree about Serbia, perhaps lifting or suspending some or all multilateral sanctions against the FRY -- but maintaining U.S. sanctions -- in exchange for agreement on continued, tightened sanctions against the Pale

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and Knin Serbs (but recognizing that Milosevic will try to undermine these to the extent he can get away with it).

- The front-line states' enforcement of sanctions would be difficult to sustain absent substantial financial compensation. Without such compensation, long-term continuation of the sanctions could actually have a destabilizing effect on the region overall. Moreover, this long-term approach could result in further Serb territorial expansion and prolong the humanitarian and refugee crisis for years to come.
  - As with approaches 1 and 2, it is not clear we could sustain this course in the face of pressure from the Congress and the Bosnians.
4. Increased U.S. commitment in support of Bosnians, apply military pressure to compel Serb acceptance of a settlement: In theory, this could involve either: (a) returning to our 1994 approach: press for a more robust UNPROFOR that is prepared to use force against Serbs and make active use of NATO close air support; resume NATO enforcement of exclusion zones, and possibly establish additional exclusion zones; if these measures prove insufficient, withdraw UNPROFOR and implement a multilateral lift-and-strike strategy; or (b) proceeding directly to lift and strike, after helping UNPROFOR to withdraw. In practice, only (b) is feasible, since Allies will not agree to robust military actions while their vulnerable UNPROFOR forces remain in place.
- This would align our policy with Congressional rhetoric and provide the means to back up our declared goals of helping the Bosnians and thwarting Serb ambitions. It would lead to increased fighting, at least in the short term, but might in time give the Bosnians the capability to recover territory and, by altering the situation on the battlefield, convince the Serbs to agree to an equitable political settlement.
  - It would, however, create significant strains in our relations with our Allies and the Russians. Our readiness to participate in NATO extraction of UNPROFOR could provide the leverage to win Allied support in the UNSC for multilateral lift. But preventing a Russian veto would be more difficult. It would, at a minimum, require lifting sanctions against Serbia at the same time (although this may be necessary in any event to encourage Milosevic not to resume military support to his Serb cousins).
  - Moreover, withdrawing UNPROFOR and explicitly committing to produce a Bosnian success would hasten the onset of the situation we have sought most to avoid, the deployment of U.S. ground forces, leaving us with the responsibility for organizing relief supplies and protecting the enclaves. And

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lift - whether unilateral or multilateral -- would commit us to arming and training the Bosnians for an indefinite period, as well as providing air cover, even if we tried to set a time limit on our support. In short, it could Americanize the war, with little likelihood of hastening a political settlement.

### Near-Term Decisions

The foregoing choices pertain mainly to the decisions we will need to take in the coming months on Bosnia. In Croatia, the situation may be more urgent, and our goal more straightforward: to prevent a new war over the Krajina. To this end, we need to be clear at the outset that we do not support Croatian military action to reassert control over the Krajina Serbs, and increase pressure on Tudjman to retain at least some portion of UNPROFOR interposed between the warring parties in the separation zone. We cannot go too far in imposing punitive measures on Tudjman, however, given the importance of Tudjman's support for the Federation and our need to use Croatian territory to support any UN/NATO/U.S. operation in Bosnia. We must above all avoid driving Tudjman into an unholy alliance with Milosevic to carve up Bosnia.

Finally, to the extent that we decide to focus more on containment of spillover, beefing up or replacing UNPROFOR in Macedonia would take on greater urgency alongside the decisions that we will need to make with respect to Bosnia and Croatia.

With these considerations in mind, the following is a sketch of the options on which decisions will be needed over the next three months.

### Options: Croatia

#### Near Term:

- Make renewed push (in tandem with Germans and other Allies) within next 10 days to convince Tudjman to extend UNPROFOR with reduced mandate (UNPROFOR Lite).
- Fallback: Press for one-time extension of March 31/June 30 deadlines to allow more time for negotiations.

Issue: Whether to threaten limited punitive actions at this stage? Or should we offer Tudjman a carrot?

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If these initial efforts fail:

- Begin Step Two prepositioning for UNPROFOR withdrawal from Bosnia or Croatia no later than March 8 (will require Congressional consultations and decisions on funding).
- Offer new, high-level international negotiator to negotiate Croatian settlement, in tandem with final push for acceptance of UNPROFOR Lite.
- Agree in principle to Croatian proposal for international task force (ITF) to replace UNPROFOR that would monitor Croatian-Bosnian border on condition that Tudjman agrees to extend ceasefire, agrees the force will also police the separation zone, and agrees to negotiate with Krajina Serbs on basis of principles in Z-4 plan.

Issues: Is ITF feasible? (Border force would be highly vulnerable to attack or hostage-taking by Bosnian and Krajina Serb forces, who have traditionally viewed such a force as threat to their survival, and whose acceptance would be a *sine qua non*. Allies would look to U.S. to join the force. But some token presence on the border may be the fig leaf Tudjman needs to back down on ejection of UNPROFOR; Krajina Serbs may accept if it is only way to keep international forces in separation zone.)

Who would comprise the force? (Unarmed civilian monitors? Joint international-Croatian-Krajina Serb police force? NATO? WEU, backed by U.S. air support -- but recognizing that effectiveness would be limited without TACPs?)

Medium Term:

- Withdraw UNPROFOR from Croatia

Issues: Nature of U.S. participation?

How to discourage Tudjman from using NATO forces as cover for early offensive (sanctions or other punitive steps? carrots?).

How to deter Krajina Serbs from seizing vacated UNPROFOR positions or threatening NATO forces (air strike threat?)

- Introduce civilian monitors to replace UNPROFOR (e.g. OSCE)

Long Term (post-UNPROFOR withdrawal):

- Contain fighting: Establish no-fly zone in Croatia? Other measures?

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- Decide whether to let Tadjman fend for himself (allowing possible Serb victory) or to provide limited support, despite our warnings that he will be on his own.

Options: Bosnia

## Near Term:

- Keep Plan B on the table.

Issues: If so, for how long? Possible modifications/extensions that aren't sweeteners -- e.g. put forward detailed proposal on constitutional arrangements for future Bosnian Union?)

- Consider staged or scaled-back Plan B -- i.e. ask Milosevic to identify the steps he would take in "partial recognition" of Bosnia and Croatia, determine whether they could be linked to limited sanctions relief.

Issues: What could Milosevic do beyond tightening border closure to justify sanctions relief? (We could not justify additional relief for tightening a border that should be sealed already. Possibilities: close the "back door" to Croatia; cooperate with the War Crimes Tribunal; recognize Bosnia's border and territorial integrity but not the Sarajevo Government.)

Should we take parallel steps in support of Bosnians to reduce Bosnian/Congressional criticism -- e.g. IMET, other training for Bosnians?

- Continue efforts to isolate Pale irrespective of Plan B: increase border monitors; close Krajina back door.
- Consider whether to reduce or end the activity of the Contact Group as such, in order to emphasize the need for the parties themselves to undertake territorial and constitutional discussions. (This would permit private or individual mediators to operate.) Or agree to French international conference without prior agreement on mutual recognition?
- Explore efforts to increase international support for the Federation: material assistance and political support (envoys to and from, participation in international conferences, agreements such as our proposed 505 agreement, etc.)
- Approach the UN to reconsider its decision not to expand UNPROFOR with the troops already offered (i.e. urge UN to increase UNPROFOR numerically to enable it to deliver humanitarian assistance more effectively, especially along the Blue Route, as opposed to changing its ROE).

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## Medium Term:

*Decision depends on the choice of overall strategic approach as described above:*

- Muddle through, continue to support Bosnians rhetorically, continue diplomatic efforts, but focus on containment.
- Shift to policy of neutrality toward terms of settlement and active containment of conflict; end or suspend Contact Group activities, acknowledge we cannot produce better deal for Bosnians.
- Containment of conflict and long-term quarantine of Greater Serbia.
- Renewed push for military measures in support of Bosnians: withdraw UNPROFOR, multilateral lift and strike

## Long Term:

- Maintain support for Federation to forestall Muslim-Croat splits. Intensify isolation of Pale and Knin Serbs.
- Maintain support for War Crimes Tribunal.
- Withdraw UNPROFOR, lift the arms embargo, with lift possibly implemented in stages (beginning with defensive weapons) and tied to "final offer" to accept Contact Group plan.

Issue: Are we prepared to lift unilaterally if Allies support us in UNSC but Russians veto? Alternatives to lift?

- Abandon support for lift, take tough line with Congress and Bosnians, stick with one of the containment options.

Options: Containing Spillover

- Beef up or replace UNPROFOR/Macedonia

Issues: When and how? (Enlarge existing force under UN command? Replace with NATO division?)

- Continue efforts to defuse Greece/FYROM dispute.
- Shore up outer wall of sanctions against Serbia.
- Expand bilateral aid/infrastructure programs in south Balkans.
- Expand bilateral military cooperation and economic cooperation with Albania, Bulgaria, Macedonia.
- High-level visits to front-line states.

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Decision Timeline

See chart

Attachments:

CIA paper - The Balkans: The Next Three Months  
Decision Timeline

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